

**MINUTES OF THE
JOINT PUBLIC EDUCATION APPROPRIATIONS SUBCOMMITTEE
MONDAY, FEBRUARY 6, 2006
Room W135, West Office Building, State Capitol Complex**

Members Present: Sen. Howard Stephenson, Co-Chair
 Rep. Gordon E. Snow, Co-Chair
 Sen. Beverly Evans
 Sen. Karen Hale
 Rep. J. Stuart Adams
 Rep. Ron Bigelow
 Rep. Duane E. Bourdeaux
 Rep. LaVar Christensen
 Rep. Tim M. Cosgrove
 Rep. James A. Ferrin
 Rep. Julie Fisher
 Rep. Greg Hughes
 Rep. Karen W. Morgan
 Rep. Stephen H. Urquhart

Members Excused: Pres. John Valentine

Staff Present: R. Michael Kjar, Legislative Fiscal Analyst
 Ben Leishman, Legislative Fiscal Analyst
 Cherie Schmidt, Secretary

Public Speakers Present: David G. Wright, Professor of Math, BYU

A list of visitors and a copy of handouts are filed with the committee minutes.

Committee Co-Chair Stephenson called the meeting to order at 2:30 p.m.

1. Approval of Minutes -

MOTION: Rep. Adams moved to approve the minutes of the January 26 and January 30, 2006, meetings.

The motion passed unanimously with Rep. Hughes and Rep. Urquhart absent at the time of voting.

2. Committee Action: Non-budget Priority Items -

MOTION: Rep. Snow moved the following:

Public Education Agencies

Tab 9 – Utah State Office of Education

I move the following intent language to be included in the Supplemental Appropriations Act for the State Board of Education:

It is the intent of the Legislature that the General Fund revenue appropriated in FY 2006 to support the Carson Smith Special Needs Scholarship Program shall not lapse.

Tab 9 Budget Brief – USOE Internal Service Fund & Indirect Cost Pool

I move to adopt the Fiscal Analysts recommendations for the USOE – Internal Service Fund, including, authorized capital outlay of \$90,000, 8 Full Time Equivalent Employees, and the following rate structure:

Printing: \$19.00 per hour labor
 .04 per copy

Cost plus 35 percent on printing supplies

Mail Room: Cost plus 25 percent on postage

I move to adopt the Analysts recommendations for the USOE – Indirect Cost Pool, including, authorized capital outlay of \$14,800, 49 Full Time Equivalent Employees, and the following rate structure:

14.6 percent of personal service supported by restricted funds

17.1 percent of personal service costs supported by unrestricted funds

Tab 3 Issue Brief – Public Education Agencies Federal Funds

I move to approve the receipt and use of the federal funds detailed in the Issue Brief titled “Public Education Agencies Federal Funds” by the Utah State Office of Education, Utah State Office of Rehabilitation, Child Nutrition Programs, and the Utah Schools for the Deaf and Blind for FY 2007. Further, I move that the co-chairs submit a recommendation of those accepted federal funds to the Executive Appropriations Committee for their further consideration.

Tab 10 Issue Brief – Independent Living Centers COLA

I move to recommend that the Executive Appropriations Committee consider appropriating a Cost of Living Adjustment for the Independent Living Centers at the same percent increase as other local contract providers. A one percent increase on salaries and benefits would be approximately \$13,000.

The motion passed unanimously with Rep. Hughes and Rep. Urquhart absent at the time of voting.

3. Committee Discussion: Budget Priorities & Intent Language -

MOTION: Rep. Snow moved the following prioritization:

1. ATE Enrollment Growth	\$2,067,088
2. Charter Schools – LRF Formula Change *(1)	\$7,169,500
3. Board and Voted Leeway Rate Increase (Statutory)	\$20,053,023
4. Adult Education – One-time to Ongoing	\$1,000,000
5. Charter Schools – Administration Cost Formula	\$2,140,000
6. Charter Schools – Training (SCSB)	\$300,000
7. Concurrent Enrollment	\$2,331,700
8. Electronic High School	\$300,000
9. Independent Living (USOR)	\$350,000
10. Independent Living 1% COLA (USOR)	\$13,000
11. Jean Massieu Integration (USDB)	\$631,600
12. Pupil Transportation	\$8,000,000
13. Math, Reading & Utah Basic Skills Competency Test Support	\$20,000,000
14. Teacher Steps and Lanes	\$191,600
15. Fine Arts and Sciences – Bifurcation Proposal	\$1,395,500
16. Charter Schools – Facility Lease Aid	\$1,355,900
17. Teacher Quality/Educator Licensing (USOE)	\$113,000
18. Transition Services (USOR)	\$612,000

AMENDED MOTION: Rep. Snow moved to add priority 14a as Teacher Salary adjustments in the amount of \$215,900 (USDB).

SUBSTITUTE MOTION: Rep. Cosgrove moved to make Priority No. 19 \$200,000 for the Deaf Interpreters and Priority No. 20 to be \$62,500 for Blind Services Rural Outreach.

Rep. Snow accepted these two items as part of the original motion.

Rep. Morgan also requested that Deaf Services Case Manager Assistant for \$40,000. This would become Priority No. 21.

The Substitute Motion passed unanimously.

MOTION: Rep. Snow moved the following prioritization:

1. 06 Charter School – LRF Formula Change	\$3,100,000
2. Teacher Supplies and Materials	\$9,000,000
3. Assistive Technology (USOR)	\$500,000
4. Facility Lease (USDB)	\$114,000
5. Civic Education – National Conference	\$30,000
6. 06 Pupil Transportation	\$5,000,000
7. Charter Schools – Startup Grant	\$2,000,000
8. Capital Outlay – Enrollment Growth Program	\$15,000,000
9. Education Technology Initiative	\$5,000,000
10. Online Testing Infrastructure	\$10,000,000

The motion passed unanimously.

4. Committee Action: Budget Priorities -

MOTION: Rep. Snow moved for three FTE's to be moved from the State Office of Education to Charter School Administration.

Dr. Patti Harrington, State Superintendent USOE, and other members of the Committee discussed issues relating to this motion. Rep. Snow stated that in order to administer Charter Schools, they need more resources. Julie Adamic, Charter School Board Member, stated that Charter Schools do need help in this area, but they are reluctant to take funding from the Utah Office of Education.

SUBSTITUTE MOTION: Sen. Hale moved to place the three FTE's on the Ongoing Priority List. This would become Item No. 22 on the Ongoing Requests Priority List. The amount for this item is \$300,000.

The substitute motion passed unanimously with Rep. Hughes absent at the time of voting.

MOTION: Rep. Snow moved that Special Education for Carson Smith Restoration come from nonlapsing funds for FY 2006-07.

The motion passed unanimously with Rep. Hughes absent at the time of voting.

MOTION: Rep. Snow moved that Charter School funds appropriated to the State Charter School Board in FY 2006 in the amount of \$100,000 be transferred to the Minimum School Program.

The motion passed unanimously with Rep. Hughes absent at the time of voting.

MOTION: Rep. Snow made a motion directing the State Board of Education to use Minimum School Program, Nonlapsing balances to fund the FY 2006 and FY 2007 Reduction taken on the Minimum School Program-Special Education line to fund the Carson Smith Special Needs Scholarship Program and to fund the FY 2006 Impact to the Utah Schools for the Deaf and Blind created by the merger of the Jean Massieu Charter School.

The motion passed unanimously with Rep. Hughes absent at the time of voting.

MOTION: Rep. Snow moved that Youth in Custody funds in the amount of \$150,000 be transferred from the Minimum School Program to the State Office of Education

R. Michael Kjar, Legislative Fiscal Analyst, explained that this is a request made by the Utah State Board of Education in as much as federal funds are no longer available to pay for the individual who has been administering the Youth in Custody Program. Rather than ask for additional funding, they have asked to include funds from the Minimum School Program to pay for this individual to continue administering this program.

The motion passed unanimously with Rep. Hughes absent at the time of voting.

Ben Leishman, Legislative Fiscal Analyst, gave clarification on an intent language. He stated that implementing the Charter School Administrative Cost Formula is based on the formula contained in *Budget Analysis FY 2007*. This formula will need approval from the Committee. Mr. Leishman further stated that the Charter Schools Local Replacement Formula Change will also require a change in statute.

MOTION: Rep. Snow moved for the Chairs to be directed to develop the language the Legislative Staff would include in the Legislation.

Sen. Evans requested that the language be sent to the Committee members before the bill is prepared.

The motion passed with Sen. Evans and Rep. Bigelow voting against the motion and

Rep. Hughes absent at the time of voting.

MOTION: Rep. Snow moved to adopt the Schedule of Fees (W/ARL INCREASE) as presented.

Rep. Bigelow asked for a clarification of this motion. Ben Leishman, Legislative Fiscal Analyst, stated that the State Board of Education submitted two requests to have funded with State funds support for the Educator Licensing Section of the State Office of Education. The first request was to cover Educator Quality which works with higher education to ensure that teachers graduate with proper qualifications. The second request dealt with the Alternative Route to Licensure. Mr. Leishman stated that this is a very expensive and time-consuming process to track the candidates who become highly qualified. The funding would help this tracking process for these candidates and also for the under qualified educators. Mr. Leishman referred to the Budget Brief - Educator Licensing Fees. This brief states:

“Through intent language passed in the 2004 General Session, the Legislature requested that the State Board of Education submit an educator licensing fee plan that provided enough revenue to support the costs of the USOE – Educator Licensing Section. Statute requires that educators seeking licensure in Utah be charged a fee and statute requires that these fees cover the expenses of issuing these licenses. By passing this intent language, the Legislature reaffirmed the statutes that require educator licensing, collecting a fee for these licenses, and the sufficient generation of fee revenue to cover costs.”

Mr. Leishman further stated that statute; namely, Budgetary Procedure Act, requires that the fees accurately represent the services provided. This is why the Analysts in the brief recommended that the fees be adjusted to accommodate those expenses as identified by the State Board of Education. This Committee included in their priorities a \$113,000 request. This fee schedule would implement the remaining amount as identified by the Board of Education. The State Board of Education recommended that the Legislature provide State funding to subsidize the operations of the Educator Licensing Section of the State Office.

Dr. Patti Harrington, State Superintendent USOE, commented that software would be purchased that would automate the entire tracking process. Dr. Harrington further stated that the reason the Alternative Licensure Fees are so high is because they do not come through traditional routes of education preparation. They do not come through Colleges of Education, and so there is no book marking that is done at the college or university level to ensure as an agency or state as they hire that students are fully ready to be teachers. It is incumbent on the State Office to review transcripts and class work to

ensure qualifications. Dr. Harrington stated that she would work intensively this year to drive these costs down.

Committee Co-Chair Stephenson stated that if this motion fails, then the Committee will continue with the existing schedule of licensing.

The motion failed with all Committee members voting against the motion and Rep. Bigelow voting in favor of the motion.

MOTION: Sen. Hale moved to add to the Budget Priority List Special Education High-Cost Student Funding in the amount of \$1.3 million.

The motion passed in both the House and the Senate with Sen. Evans voting against the motion.

MOTION: Sen. Hale moved to include on the One-Time Supplemental Requests Priority List \$750,000 for a Leadership Consortium.

Sen. Hale explained this motion by stating that training for Administrators is needed to keep their skills up to date. This would be a three-year program that would keep Administrators current on what is in statute, what is in policy, and to help them become better administrators.

The motion passed in the Senate and failed in the House. The motion failed. Those voting in favor of the motion were Sen. Stephenson, Sen. Evans, Sen. Hale, Rep. Bourdeaux, Rep. Cosgrove, Rep. Ferrin, Rep. Hughes, and Rep. Morgan. Those voting against the motion were Rep. Snow, Rep. Bigelow, Rep. Christensen, Rep. Fisher, and Rep. Urquhart. Rep. Adams was absent at the time of voting.

MOTION: Rep. Bigelow moved to add \$350,000 ongoing funding for Alternative Licensing costs.

Rep. Bigelow explained this motion by referring to the Schedule of Fees (W/ARL INCREASE):

Program Development and Tracking	\$204,672
State Approved Endorsement Program	\$44,500
Letter of Authorization Request	\$98,700

Committee Co-Chair Snow commented that the \$350,000 may be a miscalculation. He also voiced concern about licensing policy. Dr. Patti Harrington, State Superintendent USOE, commented that this appropriation be made a one-time funding request.

AMENDED MOTION: Rep. Bigelow moved to make the funding for Alternative Licensing from ongoing to a one-time appropriation. The corrected amount would be \$234,000.

The motion passed unanimously with Rep. Hughes absent at the time of voting.

MOTION: Rep. Bigelow moved to adopt the 2006 current fees as the 2007 proposed fees.

The motion passed unanimously with Rep. Hughes absent at the time of voting.

MOTION: Rep. Cosgrove moved that \$4 million in one-time Uniform School Fund revenue be appropriated to the State Board of Education for the Minimum School Program for library books in the public and charter schools.

The motion passed unanimously with Rep. Hughes and Rep. Urquhart absent at the time of voting.

MOTION: Rep. Cosgrove moved for intent language as follows:

It is the intent of the Legislature that \$4,000,000 in one-time Uniform School Funds appropriated to the State Board of Education for School Library Books be divided among the public schools based on the following formula: 25 percent divided equally among all schools and the remaining 75 percent divided among the schools based on the schools' Average Daily Membership when compared to the total state Average Daily Membership.

The motion passed unanimously with Rep. Hughes and Rep. Urquhart absent at the time of voting.

MOTION: Rep. Cosgrove moved the following intent language:

In addition, I move to recommend that staff draft language to be inserted into the Minimum School Program Act that establishes school level accountability for these funds. This reporting should include that in order to receive these funds, each public school declare to the State Board of Education an area of its collection to be updated (e.g. science, technology, fiction, books of interest to reluctant readers, etc.). To

demonstrate the effectiveness of this appropriation, each school shall report to the local school district 1) the circulation figures for the newly added titles, and 2) anecdotal accounts from teachers about how the books were used in instruction by classroom teachers, reading specialists, and ESL teachers and from students about how they were used for school assignments of recreational reading.

Committee Co-Chair voiced concern over this motion. Rep. Cosgrove withdrew this motion.

MOTION: Rep. Morgan moved to add to the Ongoing Priority List the language as well as the appropriation amount of \$37,560,000 for class size reduction.

Rep. Morgan stated that this motion is for class size reduction in K-3 grades. Rep. Morgan further stated that this money is restricted, and schools would only be eligible to receive those monies if their average class size in kindergarten, first grade, second grade, and third grade is 20 or fewer on October 1.

The motion failed in both the House and the Senate. Those voting in favor of the motion were Sen. Hale, Rep. Bourdeaux, Rep. Cosgrove, and Rep. Morgan. Those voting against the motion were Sen. Stephenson, Sen. Evans, Rep. Snow, Rep. Adams, Rep. Christensen, Rep. Ferrin, and Rep. Fisher. Absent at the time of voting were Rep. Bigelow, Rep. Hughes, and Rep. Urquhart.

Rep. Christensen mentioned one miscellaneous item that might have been overlooked. Rep. Christensen stated that he believes that Charter School have a potential balance of \$100,000 from the previous year. This money could be used to fund other items.

MOTION: Rep. Ferrin moved for \$98,000 to remain in Charter School Startup Funding.

The motion passed with Sen. Evans and Rep. Fisher voting against the motion. Those absent at the time of voting were Rep. Bigelow, Rep. Hughes, and Rep. Urquhart.

MOTION: Rep. Morgan moved to add K-3 Reading Improvement to the Ongoing Priority List. The amount is \$2.5 million

The motion failed with Sen. Hale, Rep. Bourdeaux, Rep. Cosgrove, and Rep. Morgan voting in favor of the motion and Sen. Stephenson, Sen. Evans, Rep. Snow, Rep. Adams, Rep. Christensen, Rep. Ferrin, and Rep. Fisher voting against the motion. Absent at the time of voting were Rep. Bigelow, Rep. Hughes, and Rep. Urquhart.

MOTION: Sen. Hale moved to place on the Priority List and include \$7.5 million for Full-Day Kindergarten.

The motion passed unanimously with Sen. Evans, Rep. Bigelow, Rep. Bourdeaux, Rep. Hughes, and Rep. Urquhart absent at the time of voting.

Patrick Ogden, Associate Superintendent, USOE, stated that there are two items that the Committee has not taken specific action. The first item is the Administrative Funding for the Public Education Job Enhancement Program. This money has been taken out of the Minimum School Program to fund a position in the State Office of Education to administer that program. This was done on a one-time basis last year. Mr. Ogden stated that in order to continue to administer that program, the money needs to be transferred either to the USOE Budget on an ongoing basis or reauthorize the funding. The second item is funding to support the administration of the Carson Smith Special Needs Scholarship Program. This was a one-time general fund appropriation of \$112,000 in FY 2006 and should be made ongoing.

MOTION: Rep. Morgan moved to place Administrative Funding for the Public Education Job Enhancement Program and the Carson Smith Special Needs Scholarship Program on the Priority List.

The motion passed unanimously with Sen. Evans, Rep. Bigelow, Rep. Hughes, and Rep. Urquhart absent at the time of voting.

Committee Co-Chair Stephenson stated that in the last meeting of the Committee held on February 2, 2006, the members of the Committee heard from Mr. Oak Norton who had a rebuttal from Brent Moulding, Curriculum Director, USOE. Mr. Moulding at that time stated that he was not the math person in the State Office, and that he was stating information as best he could from memory. Since that meeting, Mr. Moulding has stated by E-Mail that some of his facts were incorrect.

David G. Wright, Professor of Mathematics at BYU, discussed the Utah State Math Core. Mr. Wright stated that Utah is second highest in the nation of eighth graders taking algebra, but the State is still very low in achievement. Mr. Wright further stated that the easiest way to improve math in Utah is to improve our standards. Clearly written standards with examples will help teachers understand what is to be taught.

Committee Co-Chair Stephenson stated that while this issue is now beyond this Committee, it will be heard in the Standing Committee in legislation for the Math 4-6 Initiative.

5. Concluding Committee Business - Committee Co-Chair expressed gratitude to the staff for their work during the Committee meetings, to the public for their patience for this cumbersome process of representative democracy, to all the agencies who have been very professional, and to the public in general for being aware, giving feedback, and requesting corrective action where necessary.
6. Adjourn - Committee Co-Chair Stephenson adjourned the meeting at 4:25 p.m.

Minutes were reported by Cherie Schmidt, Secretary

Sen. Howard Stephenson, Committee Co-Chair

Rep. Gordon Snow, Committee Co-Chair